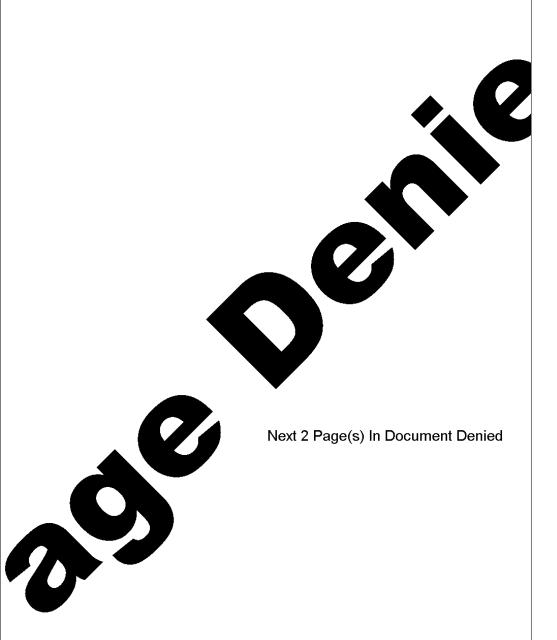
## STA

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GIVING MORE EMPHASIS TO TECHNOLOGICAL CHANGE AND LESS TO MARKET SATURATION. SINCE THE END OF WORLD WAR II, THE PRICES OF EVERYTHING FROM OIL TO URANIUM, FROM COPPER TO EAUXITE, FROM SUGAR TO WHEAT HAVE RISEN LESS RAPIDLY THAN OVERALL INFLATION. WHILE THE VALUE OF SOME COMMODITIES SUCH AS TIN AND ZINC HAS ONLY FALLEN BY ABOUT 10 PERCENT, THE VALUE OF LEAD FELL A FULL 50 PERCENT. 'IN MINERALS, TECHNOLOGY HAS MAINLY ACTED TO REDUCE DEMAND FOR TRADITIONAL COMMODITIES: IN AGRICULTURE, IT HAS ACTED TO INCREASE THEIR SUPPLY.

Certainly the trends will not be one of steady decline. Indeed, rebounds and collapses will likely litter the longer term path. At present, for example, many commodity prices have enjoyed an upswing. In part the realignment of the US dollar has helped. It has improved the demand for US-produced goods. the same time it has moderated the rise in the effective cost abroad of dollar-denominated commodities. The impact of exchange rates changes can be pronounced. Looking since the dollar began weakening in 1984, the strengthening of the yen has just about totally offset the rise in the dollar price of copper for Japanese producers. Despite the recent bolstering in minerals" TODAYS LUAII Street Jour and agricultural prices, in noted that commodity prices are still 30 percent below their 1980 levels, and few observers believe that continuing price rises are in the cards.

MINERAL MARKETS HAVE BEEN HIT ESPECIALLY HARD, WITH

TECHNOLOGICAL ADVANCES PROVIDING A GROWING ARRAY OF SUBSTITUTES

FOR RAW MATERIALS, PARTICULARLY COPPER, IRON, BAUXITE, AND

TIN. AS ONE EXAMPLE, COPPER WIRE IS BEING REPLACED BY FIBER

OPTICS, LINE-OF-SIGHT MICROWAVE SYSTEMS, AND SATELLITE